



February 14, 2001

SENATE BILL No. 366

DIGEST OF SB 366 (Updated February 12, 2001 12:56 PM - DI 52)

Citations Affected: IC 6-3.1; noncode.

Synopsis: Sewage disposal system tax credit. Establishes a tax credit for the owners of homes served by sewage disposal systems. Requires that an owner, to be eligible for the credit, must repair or replace a sewage disposal system and must obtain any appropriate permits for the system. Provides that the credit equals 30% of the total repair or replacement costs and is applied against the owner's adjusted gross income tax liability in four equal annual amounts. Provides that the owner may carry over excess credit to succeeding taxable years.

Effective: January 1, 2002.

Gard

January 18, 2001, read first time and referred to Committee on Environmental Affairs.
February 13, 2001, amended, reported favorably — Do Pass; reassigned to Committee on Finance.

C
o
p
y

SB 366—LS 8109/DI 103+



February 14, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 366

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2002]:

4 **Chapter 20. Residential Sewage Disposal System Tax Credit**

5 **Sec. 1. This chapter creates the residential sewage disposal**
6 **system tax credit.**

7 **Sec. 2. As used in this chapter, "board" refers to any of the**
8 **following:**

9 (1) **A county board of health established under IC 16-20-2.**

10 (2) **A multiple county health department established under**
11 **IC 16-20-3.**

12 (3) **The health and hospital corporation of Marion County**
13 **established under IC 16-22-8.**

14 **Sec. 3. As used in this chapter, "dwelling" means any house or**
15 **place that is:**

16 (1) **used or intended to be used as a place of seasonal or**
17 **permanent human habitation or sleeping for one (1) family;**

SB 366—LS 8109/DI 103+



C
o
p
y

and

(2) served by a sewage disposal system.

Sec. 4. As used in this chapter, "owner" means an individual taxpayer who owns a dwelling.

Sec. 5. As used in this chapter, "sewage disposal system" has the meaning set forth in IC 13-11-2-201.

Sec. 6. An owner is entitled to a credit against the owner's adjusted gross income tax liability for a taxable year in the amount described in section 7 if:

(1) the owner repairs the sewage disposal system that serves the owner's dwelling or replaces the sewage disposal system with a new sewage disposal system;

(2) a board inspects the repaired or new sewage disposal system; and

(3) the repaired or new sewage disposal system has received the appropriate permit from the board or the state department of health.

Sec. 7. The credit authorized under section 6 of this chapter is equal to thirty percent (30%) of the costs incurred by the owner in repairing or replacing the sewage disposal system and shall be applied in four equal amounts against the owner's adjusted gross income tax liability for the taxable year in which the repair or replacement occurs and the three (3) immediately succeeding taxable years.

Sec. 8. If the credit determined under section 7 of this chapter for a particular owner and a particular taxable year exceeds the owner's state income tax liability for that taxable year, the owner may carry over the excess credit to the immediately succeeding taxable years. Each time the excess credit is carried over to a succeeding taxable year, it is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. A carryover provided by this chapter may not be used for any taxable year that begins more than three (3) years after the taxable year in which the owner first claimed the credit.

Sec. 9. A taxpayer is not entitled to a carryback or refund of any unused credit.

Sec. 10. The credit created under this chapter is not available to an owner of a newly constructed dwelling that will be served by a sewage disposal system.

SECTION 2. [EFFECTIVE JANUARY 1, 2002] This act applies to taxable years beginning after December 31, 2001.



C
o
p
y

COMMITTEE REPORT

Mr. President: The Senate Committee on Environmental Affairs, to which was referred Senate Bill No. 366, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 4, delete "Septic Tank" and insert "**Sewage Disposal System**".

Page 1, line 5, delete "septic tank" and insert "**sewage disposal system**".

Page 2, line 1, delete "septic tank" and insert "**sewage disposal system**".

Page 2, line 4, delete ""septic tank" means a water" and insert "**""sewage disposal system" has the meaning set forth in IC 13-11-2-201.**".

Page 2, delete lines 5 through 6.

Page 2, line 10, delete "septic tank" and insert "**sewage disposal system**".

Page 2, line 11, after "the" delete "septic tank" and insert "**sewage disposal system**".

Page 2, line 11, after "new" delete "septic tank;" and insert "**sewage disposal system;**".

Page 2, delete line 12.

Page 2, line 13, delete "septic tank." and insert "**sewage disposal system; and**".

Page 2, between lines 13 and 14, begin a new line block indented and insert:

"(3) the repaired or new sewage disposal system has received the appropriate permit from the board or the state department of health."

Page 2, line 16, delete "septic tank" and insert "**sewage disposal system**".

Page 2, line 34, delete "septic tank" and insert "**sewage disposal system**".

and when so amended that said bill do pass and be reassigned to the Senate Committee on Finance.

(Reference is to SB 366 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 6, Nays 2.

SB 366—LS 8109/DI 103+



C
O
P
Y